

ORIGINAL

Before the
FEDERAL COMMUNICATIONS COMMISSION
 Washington, D.C. 20554

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JUL 14 1997

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of

MOBILEMEDIA CORPORATION, et al.

Applicant for Authorizations and Licensee
of Certain Stations in Various Services

To: The Commission

WT Docket No. 97-115

**SECURED LENDERS' CONSOLIDATED COMMENTS
 ON PETITIONS FOR LIMITED RECONSIDERATION
 OF PARAGRAPH 18 OF STAY ORDER**

Pursuant to Section 1.106(g) of the Commission's rules, The Chase Manhattan Bank, as agent for the secured lenders to MobileMedia Communications, Inc. ("Secured Lenders"), files these consolidated comments on the requests for clarification or limited reconsideration of paragraph 18 of the Commission stay order of June 6, 1997 ("Stay Order").^{1/} Because of their substantial economic interest in this proceeding, the Secured Lenders seek to ensure that the Commission's disposition of these requests in no way jeopardizes the stay or otherwise impairs the ongoing efforts of MobileMedia Corporation and its subsidiaries, debtors-in-possession ("MobileMedia"), and its creditors to effectuate a Second Thursday transaction. As the Commission itself has recognized, the stay is critical to ensuring that, consistent with

^{1/} Western Wireless Corporation served its Emergency Petition for Limited Reconsideration or Clarification by hand on July 3, 1997. Glynn Ingram served a Motion To Intervene and To Strike by mail on July 5, 1997. Triad Cellular Corporation, Debra P. Hilson, Santo J. Pittsman, and Mark Witsaman served their petitions or motions by mail on July 7, 1997.

Second Thursday and the Bankruptcy Code, “severe harm to a multitude of innocent creditors” does not occur. Stay Order ¶ 13. Accordingly, the Secured Lenders would not oppose the limited relief sought by petitioners and movants (“petitioners”) provided that such relief does not disturb the stay and is without prejudice to MobileMedia's rights under the Stay Order and applicable law to consummate a sale or reorganization that is consistent with Second Thursday.

None of the petitioners suggests that the Commission’s stay should be lifted in any respect. Indeed, the circumstances that led the Commission to stay these proceedings in the first place remain as compelling today as they were on June 6. The stay is essential to ensuring that the Commission’s processes in this matter do not frustrate either the Commission’s established policy of protecting the interests of innocent creditors or the purposes of the Bankruptcy Code. Stay Order ¶ 13; see LaRose v. FCC, 494 F.2d 1145, 1147 n.2 (D.C. Cir. 1974); Second Thursday, 22 F.C.C.2d 515, *recon. granted*, 25 F.C.C.2d 112 (1970). The introduction of any disruption or uncertainty as a result of action on petitioners’ requests would present a grave risk to MobileMedia’s efforts to stabilize its business and pursue a Second Thursday transaction.^{2/} Any such disruption or uncertainty could substantially diminish the

^{2/} As reflected in its first monthly report, these efforts are now the principal focus of MobileMedia. To stabilize its business, it has obtained Court approval of key employment contracts and other arrangements. See Monthly Status Report of MobileMedia at 2 (July 7, 1997). And to further its development of a plan, it has secured a 90-day extension of the exclusivity period, id. at 1, employed financial and management consultants, and held discussions with several prospective third-party purchasers, id. at 3. In addition, consistent with the Stay Order, on July 11 the Bankruptcy Court approved MobileMedia’s motion for an injunction prohibiting stock trading by MobileMedia’s current officers, directors, and senior managers.

value of the enterprise, and thus jeopardize the interests of the Secured Lenders and other innocent creditors.

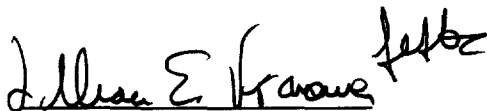
The Secured Lenders recognize that Commission approval of a Second Thursday transaction will require that any individuals then charged with misconduct “have no part in the proposed operations [of the future licensee] and . . . either derive no benefit from favorable action on the application or only a minor benefit which is outweighed by equitable considerations in favor of innocent creditors.” Second Thursday at 516. The Commission’s approach to resolving charges of wrongdoing as set forth in paragraph 18 of the Stay Order -- by addressing specific issues as they arise and in separate proceedings -- makes sense. This approach is efficient as a matter of resource allocation and will minimize the potential for disruption of MobileMedia and its employees during the development of a Second Thursday transaction.

It may be possible to resolve issues raised in accordance with paragraph 18 of the Stay Order in an informal or summary fashion in light of the nature of the particular transaction, the role of the particular person in the transaction or at MobileMedia, and other factors. If the evidence of wrongdoing creates a substantial and material question of fact, the Commission should use factfinding procedures, outside the MobileMedia proceeding, that are discrete and focused on the specific issues presented by a particular individual in the application at hand. Such procedures should in no event adversely affect the stay or MobileMedia’s ability to implement a sale or reorganization consistent with Second Thursday as outlined in the Stay

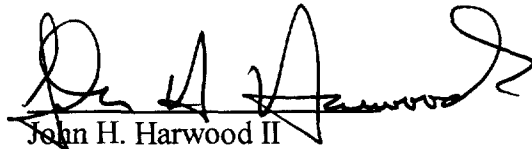
Order. In this regard, the Commission could make explicit that no determination in any such proceeding will have force or effect in this proceeding.

For the reasons stated above, the Secured Lenders do not oppose the relief sought by petitioners with respect to paragraph 18 of the Stay Order, provided that any clarification or modification in no way affects the stay in this case or MobileMedia's ability to implement a sale or reorganization consistent with Second Thursday.

Respectfully submitted,



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July 14, 1997

CERTIFICATE OF SERVICE

I hereby certify that on this 14th day of July, 1997, I caused copies of the foregoing Secured Lenders' Consolidated Comments on Petitions for Limited Reconsideration of Paragraph 18 of Stay Order to be served by regular United States mail, postage prepaid, on each of the following:

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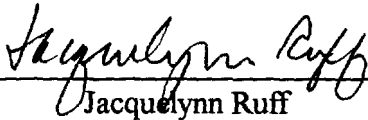
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